Re: EU-Cote d’Ivoire-Ghana dialogue on sustainable cocoa production and trade

On behalf of 17 Ghanaian, Ivorian and European NGOs and cocoa farmers’ organisations, we are writing to suggest, for your consideration, some positive next steps for the dialogue between Cote d’Ivoire, Ghana and the European Union (EU) on sustainable cocoa production and trade.

We commend the governments for their inputs to the Cocoa Talks. This kind of dialogue between producer and consumer nations is critical for transforming the cocoa sector, and we are keen to be constructive partners.

Our observations and recommendations:

The Cocoa Talks have summoned high-level political support, in particular from across the different ministries in Ghana and Cote d’Ivoire and the Directorates-General of the European Commission. This increased coordination and high-level engagement is absolutely vital, and we hope it will continue. In parallel to this high-level dialogue, however, there is a need for more detailed technical discussions to dig into problems, discuss areas of disagreement, and identify and implement concrete solutions. Some important problems and questions have been raised by stakeholders during the Cocoa Talks, but ways forward and action points have yet to be identified and agreed.

We therefore recommend creating small, multi-stakeholder technical working groups on the following themes:

In Ghana and Cote d’Ivoire:
- Cocoa pricing and the implementation of the Living Income Differential (LID)
- Deforestation
- Land tenure, tree tenure and land allocation
- Child labour
- Impact of other sectors such as mining

In Europe:
- Living income and cocoa price (to explore and propose demand-side policies to support a higher cocoa price).
- Cocoa-specific guidelines (to accompany the new regulations on deforestation and human rights due diligence).
The groups should start by defining the problem they are working on, including doing a gap analysis of existing policies and action plans and where and why these have fallen short in the past. The groups should then propose concrete actions for that issue, including responsibilities and timelines. This thinking should be used to develop a sector-wide Theory of Change. Any agreed actions should be brought together into national roadmaps to ensure as much progress as possible before the entry into force of the new EU regulations on deforestation and human rights due diligence - likely around 2024 or 2025. The EU should provide technical and financial support to implement any actions agreed in the roadmaps.

The Cocoa Talks should learn from the best parts of processes that already exist such as the Forest Law Enforcement Governance and Trade Voluntary Partnership Agreements (FLEGT VPAs). Ivorian and Ghanaian civil society have found the VPA process useful for encouraging constructive dialogue with the government, and for enabling them to directly input to policy. It would be particularly important, for example, that the Cocoa Talks are overseen by a Joint Implementation Committee made up of non-government and government representatives from Ghana, Cote d’Ivoire and the EU; and that it is supported by a neutral facilitator, accessible to all stakeholders and able to help resolve issues. This will help increase ownership, transparency and constructive dialogue. At the moment, particularly in Cote d’Ivoire, it is difficult to know who is organising the sessions, how to participate and who to contact.

NGO and farmer participation still needs to improve, particularly in Cote d’Ivoire. NGOs and farmers need to have access to information in advance and be involved in all discussions so they can input into decisions and solutions. Farmer and NGO attendees should be allocated seats and given the necessary time and resources to coordinate amongst themselves to select their representative.

In terms of the EU regulation, the European Commission should ensure that:

- The new EU deforestation law builds on existing work on national forest law systems that Ghanaian and Ivorian stakeholders have undertaken as part of the VPA and Reduced Emissions Deforestation and Degradation (REDD+) processes (supported by the EU and the Food and Agricultural Organisation (FAO)).
- Progress along the roadmaps mentioned above is recognised by any system to rank risks or benchmark countries within the new EU deforestation law.
- Living income, via the human right to an adequate standard of living, is explicitly included in the scope of the Human Rights Due Diligence regulation.
- Civil liability is included in the Human Rights Due Diligence regulation.

We would urge the governments of Ghana and Cote d’Ivoire to ensure that:

- National cocoa traceability systems include an independent monitor, as well as a jointly developed monitoring and evaluation framework and corresponding reporting. Civil society should have an independent monitoring role based on the systems that have been useful in other sectors.
- Ghanaian NGOs can input into the concept behind and implementation of the Ghana Cocoa Monitor proposed by Mr Aidoo at the June 2021 Ghana Cocoa Talks session; this should go beyond simply monitoring sustainability initiatives, and include monitoring agreed governance indicators in the cocoa sector.
- National transparency systems are put in place in Ghana and Cote d’Ivoire to publish which companies paid the LID and national Quality Premiums in full, as well as the calculations behind the producer price. This will provide a strong leverage for farmers and NGOs to advance advocacy work on the LID to support the governments.
Finally, we note that producer countries beyond Ghana and Cote d'Ivoire – in Africa, Latin America and Indonesia - could benefit from similar engagement. The risk to forests is highest in countries where cocoa is yet to expand — and they have few existing initiatives.

We conclude by thanking you again for your openness and commitment. We believe that civil society has a key role to play, as we understand the problems on the ground, and based on this experience can contribute solutions. We can also support the government with monitoring. We provide expertise and data on an objective basis. We have been instrumental in bringing industry and the EU to the table for the current Cocoa Talks. We will continue raising public awareness of low producer incomes, child labour and deforestation in the cocoa sector. We extend our hands as partners in this process, and hope to continue the conversation together going forward.

Sincerely,

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